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BEFORE THE  
ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION                    )   DOCKET NO.  
On Its Own Motion                                )   10-0366  
  )  
  )  
Management Audit of                             )  
Illinois-American Water Company to            )  
consider the costs of services                 )  
obtained from its Service Company.            )

Springfield, Illinois  
Tuesday, April 10, 2012

Met, pursuant to notice, at 10:00 a.m.

BEFORE:

MR. LARRY JONES, Administrative Law Judge

APPEARANCES:

MR. MICHAEL LANNON  
MS. NICOLE LUCKEY  
Office of General Counsel  
Illinois Commerce Commission  
160 North LaSalle, Suite C-800  
Chicago, Illinois 60601  
Ph. (312) 793-2433

(Appearing via teleconference on  
behalf of Staff Witnesses of the  
Illinois Commerce Commission)

SULLIVAN REPORTING COMPANY, by  
Carla J. Boehl, Reporter  
CSR #084-002710

1       APPEARANCES: (Continued)

2           MR. ALBERT STURTEVANT  
3           WHITT STURTEVANT, L.L.P.  
4           180 North LaSalle Street, Suite 1822  
5           Chicago, Illinois 60601.  
6           Ph. (773) 531-8979

7                               (Appearing via teleconference on  
8                               behalf of Illinois-American  
9                               Water Company)

10          MR. KENNETH C. JONES  
11          Corporate Counsel  
12          Illinois-American Water Company  
13          300 North Water Works Drive  
14          Belleville, Illinois 62223  
15          Ph. (618) 239-3222

16                               (Appearing via teleconference on  
17                               behalf of Illinois-American  
18                               Water Company)

19          MS. SUSAN L. SATTER  
20          Illinois Attorney General's Office  
21          11th Floor  
22          100 West Randolph  
             Chicago, Illinois 60601

                              (Appearing via teleconference on  
                              behalf of the People of the  
                              State of Illinois)

1		<u>I N D E X</u>			
2					
3	<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
4	(None)				
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13		<u>EXHIBITS</u>			
14					
15				<u>MARKED</u>	<u>ADMITTED</u>
	(None)				
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PROCEEDINGS

JUDGE JONES: Good morning. I call for hearing Docket Number 10-0366. This is titled in part Illinois Commerce Commission on its own motion, management audit of Illinois-American Water Company to consider the costs of service obtained from its service company.

At this time we will again take the appearances orally for the record. As before, if you have appeared previously, you need not restate your business address or phone number or re-spell your name unless you just wish to do that. We will start with the appearance or appearances on behalf of the Commission Staff.

MR. LANNON: Michael Lannon and Nicole Luckey.

JUDGE JONES: Thank you. Other parties?

MR. STURTEVANT: Good morning, Your Honor. Appearing on behalf of Illinois-American Water Company, Albert Sturtevant of Whitt Sturtevant, LLP. I think my address and phone number are previously entered.

JUDGE JONES: Thank you. Ms. Satter?

1           MS. SATTER: Susan L. Satter appearing on  
2   behalf of the People of the State of Illinois.

3           JUDGE JONES: Thank you. Are there any other  
4   appearances?

5           MR. JONES: Your Honor, Ken Jones with the  
6   Company.

7           JUDGE JONES: Thank you, Mr. Jones.

8                    Okay. Are there any other appearances  
9   this morning?

10                   (No response.)

11                   Let the record show there are not.

12                   Mr. Lannon, does the Staff have any  
13   status reports or agreed-to scheduling proposals to  
14   put forward at this time?

15           MR. LANNON: No, Your Honor, we don't.

16           JUDGE JONES: Did you want an opportunity on an  
17   off-the-record basis to discuss the status and the  
18   future of this proceeding with other counsel?

19           MR. LANNON: Yes, Your Honor, I think that  
20   would be well worthwhile. And I don't know that --  
21   maybe your presence would be useful, too. I am not  
22   sure.

1           JUDGE JONES: All right. At this time let the  
2 record show we hereby go off the record for the above  
3 purpose.

4                               (Whereupon there was then had an  
5 off-the-record discussion.)

6           JUDGE JONES: Back on the record.

7                               There was an off-the-record discussion  
8 for the purposes indicated. I believe the parties at  
9 the conclusion of that discussion have agreed to some  
10 dates and also to some events that go along with  
11 those dates.

12                              Would someone care to read into the  
13 record what you believe to be the agreed-to  
14 scheduling that should go in the record?

15           MR. STURTEVANT: Sure, Your Honor, I would be  
16 happy to.

17                              My understanding of what's been agreed  
18 to is the Company is going to provide the Attorney  
19 General a copy of proposed redactions to the final  
20 audit report. Those have already been reviewed by  
21 Staff.

22                              And we will have a status hearing

1       scheduled for May 3 at 11:00 a.m.

2               MS. SATTER:   And maybe we can put on the record  
3       that the Company will forward the proposed updated  
4       redactions to the Office of the Attorney General for  
5       review prior to the May 3 status.

6               JUDGE JONES:   Okay, Mr. Sturtevant?

7               MR. STURTEVANT:   Yeah, that's fine, Your Honor.  
8       We actually, I think, can send them for review  
9       tomorrow which is April 11.

10              JUDGE JONES:   Thank you.   Any other  
11       clarifications regarding the scheduling?

12                               (No response.)

13                      Okay.   Let the record show there are  
14       not.   Are there any objections to that scheduling?

15                               (No response.)

16                      Let the record show there are not.

17       Let the record show that the scheduling that was read  
18       into the record by Mr. Sturtevant, as clarified by  
19       Ms. Satter and by Mr. Sturtevant, is hereby adopted  
20       and put into place for purposes of this proceeding.

21                      Okay.   Do the parties have anything  
22       else for the record today before we close the status

1     hearing and continue the matter to May 3 at 11:00  
2     a.m. by phone?

3             MR. STURTEVANT:  Nothing for the Company, Your  
4     Honor.

5             JUDGE JONES:  Let the record show there is  
6     nothing further to take up today.  In accordance with  
7     the above discussion, this matter is continued to a  
8     status hearing to be held on May 3 at 11:00 a.m. with  
9     participation by telephone to be permitted.

10                             (Whereupon the hearing in this  
11                             matter was continued until May  
12                             3, 2012, at 11:00 a.m. in  
13                             Springfield, Illinois.)

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